CUTA · ACTU

GOVERNMENT FUNDING POLICIES FOR URBAN TRANSIT IN CANADA 1983 - 1984

CANADIAN URBAN TRANSIT ASSOCIATION / L'ASSOCIATION CANADIENNE DU TRANSPORT URBAIN
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LETTER OF TRANSMITTAL

May 2, 1984

Mr. A. H. Savage
Vice-President, Policy and Liaison
Canada Urban Transit Association
140 Bay Street, Suite 220
Toronto, Ontario

Dear Mr. Savage:

In the fall of 1982 the CUTA Board of Directors established a committee on government funding of public transit, and at the meeting of March 7, 1983, the Board approved the committee's terms of reference.

In general, the Government Funding Agencies Committee has the responsibility of reporting to the Board, through the Vice-President - Policy and Liaison, on any item referred to it, and in particular to implement a mechanism for generating and sharing information on policies, programs and administration in matters of common concern to our members.

The committee is comprised of representives from all Provinces having a defined public transit support policy, together with a representative of the Federal Government. It was agreed that the first task of the committee would be the revision of the CUTA Subsidies Report, to be published annually at the June meeting.

It is my pleasure, on behalf of the committee, to submit to you at this time our first report on the government funding policies that exist in Canada today.

I wish to thank the members of the committee for volunteering their time and assistance which has made my job as chairman a pleasant one. I also wish to thank Al Cormier our Executive Director for his patience, advice and assistance in publishing the report.

Yours very truly,

L. R. Keddy, P. Eng., Chairman
Government Funding Agencies Committee

LRK/jdp
Encl.

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1983 - 84

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INTRODUCTION

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For a number of years there has been a need for a mechanism to share information on current government funding policies for urban transit. CUTA originally published a subsidy report in 1981 including information on subsidy policies and expenditure figures by jurisdiction. With the formation of a Government Funding Agencies Committee in 1982, the responsibility for the publication of a subsidy report shifted from CUTA to the Committee. This report is a compilation of the essential elements of Federal, Provincial and Municipal government funding policies.

Following the introductory and background comments is a summary or overview of the funding practices currently being followed across Canada. Next is a section entitled "Individual Policies" which contains the details of government subsidies and grants broken down into several areas such as operating, capital, and transportation for the disabled. This is followed by statistics showing the amount of transit funding over the last five yers, riderships, and vehicle kilometers, where available. Also contained in this section, is the name of a contact person for additional information.

A concluding section entitled "Erratum" is provided for the convenience of the reader in notifying CUTA of any errors in this report, or any amendments that should be made in future publications.

BACKGROUND OF TRANSIT FINANCING

BACKGROUND TO TRANSIT FINANCING

The history of urban transit financing in Canada is a story of "ups and downs" which began when the horsedrawn omnibus was introduced in the mid 1850's.

The commercial potential of a public transit service was widely recognized and after Canada's first electric street railway commenced operation in Windsor, Ontario in 1886, transit began to expand on a national scale. Despite the problems of financing electric companies in the 1890's, 46 cities across Canada had electrically operated street railways - at least one in every province except P.E.I.

The world was indeed becoming transportation conscious; ocean excursions were popular, world trade was improving, the Suez Canal had opened in 1869, the Panama Canal in 1913, the first cars were being built, the Wright brothers proved in 1903 that man could control an aircraft, and 6 years later in 1909 the first controlled flight in Canada took place when the Silver Dart flew off the ice of Bras D'Or at Baddeck, Nova Scotia. As the population grew so did the demand for improved means of travel by both roadways and rail.

Electric railways, urban and intercity, continued to expand and during World War I the railways were carrying 29 million riders a year - over 11 million in Toronto alone. After the war, however, the improvement in the Canadian economy made it possible for the average worker to buy a car and a gradual decline in public transit ridership began. Transit revenues dropped and operators were forced to decrease service. The introduction of the motorized bus with its lower capital and operating costs did little to help the industry, and the public continued to move away from public transit to the comfort and convenience of the private automobile.

The events which followed the Wall Street Crash in 1929 almost destroyed the Canadian transit industry completely. For the first time in history, public takeovers were necessary to maintain service in some areas. There was little capital available to maintain existing service levels, even for the public supported services. Public transit managed to survive, however, by offsetting declining revenues with reduced services.

The transit industry, however, was saved by the booming economy of World War II when the public once again turned to public transit and riderships climbed rapidly all across Canada. In wartime Halifax where the city's population (military and civilian) doubled in five years, the annual ridership went from 9 million to 31 million.

After World War II riderships began once again to decline. The impact of the automobile, urban sprawl, and much improved wage earner affluence, saw the public turn to the private car as never before, and the real impact of the car on Canadian life styles began to take hold.

Throughout the 1950's, and early 1960's, the transit industry slumped; operators raised fares, reduced service or just gave up, and once again the future of Canadian transit looked bleak. General transportation, however, was taking on a new dimension. In 1961 Russia's Yuri Gagarin became the first man in space, to be followed within months by United States Alan Shepard. Only eight years later the world witnessed the unprecedented event of man walking on the moon. The public largely ignored transit; cars were comfortable, gas was cheap and most provinces were carrying out huge road building programs.

By the mid to late 1960's the public's lack of concern for transit started to change. Severly conjested downtowns, the rising costs of gas, oil and auto maintenance, together with questions about the real benefit of large highway programs, started a return to transit. Riderships increased, and the number of revenue passengers carried has continued to climb every year since.

Up until the early 1970's, transit operators for the most part were able to show some margin of profit, but rapidly escalating operating costs passed far beyond the economic ability of the service to pay for itself.Despite an increase in ridership, the rides per capita in all centres continued to decline. To maintain transit service it became necessary for senior governments to provide financial assistance.

Ontario, the first province to announce an urban transit support policy, did so in 1971. Other provinces followed during the next several years, with Nova Scotia last, introducing its transit policy in 1978. Riderships continued to increase and in 1975 the "rides per capita" increased - for the first time in several decades - and have continued ever since.

In 1978 the Federal Government announced an Urban Transportation Assistance Program (UTAP), and for the first time in Canada, public transit received financial support from both provincial and federal governments.

Riderships, revenue passengers and rides per capita continue to increase today. An estimated 15 percent of all commuters in Canada "take the bus" - 30 percent in Montreal, Toronto, and Ottawa. The annual ridership is almost two billion - the equivalent of the entire population of Canada being moved every five days.

Urban transit services in Canada are now considered an essential public service producing benefits for both users and non-users. Public transit, however, can perform effectively only with financial assistance from governments - as is the case with all essential public services.

The financial support policies of the federal and provincial governments are described in the next sections of this report.

DEFINITIONS

DEFINITIONS

CONVENTIONAL TRANSIT

- **No. of Systems**

  Total number of transit properties that are providing services; not necessarily coincident with the number of municipalities receiving provincial assistance.

- **Ridership**

  Transit rides taken by initial boarding (originating) transit patrons paying a full fare, reduced fare, no fare (free fare) or showing a pass. Excludes all transfer rides or charter rides.

- **Revenue Vehicle Kilometres**

  Total distance travelled by revenue vehicles while in revenue service, that is, those kilometres incurred along a regularly scheduled route from the first point where passengers may be boarded to the last point where scheduled passenger service is terminated. Excludes deadhead, charter travel, maintenance and training kilometres.

- **Provincial Subsidies**

  Total financial assistance provided by the province to municipalities towards the costs associated with the annual operation of their municipal transit systems and the acquisition of transit capital assets.

- **Population Served**

  Actual or estimated population within a designated area of service coverage, not necessarily coincident with the municipal boundaries.

TRANSIT FOR DISABLED PERSONS

- **No. of Municipalities with Specialized Services**

  Total number of municipalities receiving provincial assistance towards the operation of parallel services for disabled citizens.

- **Ridership**

  Same as per conventional transit.

- **Vehicle Hours**

  Total actual hours all the vehicles were available for service operation during the year. Excludes hours consumed in testing and charter travel.

- **Provincial Subsidies**

  Total financial assistance provided by the province to municipalities towards the costs associated with the capital acquisition and system operation for parallel transportation services for disabled persons.

SUMMARY OF FUNDING ACROSS CANADA

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Although each province has developed a slightly different approach to transit funding, it is possible to identify a general pattern of policy change over the years. Initially, transit assistance programs involved temporary ad-hoc grants to enable private operators to survive, or perhaps to continue until a mechanism was in place to allow for direct public operation or a public/private mix. As the program of assistance evolved from urgent incidents to routine grants, a funding formula was established, using a per capita or fixed percentage basis, in order to provide a consistent application within each province. A more recent development is the addition of performance incentives, particularly for transit operating grants, in an attempt to provide some control over the end use of provincial funding.

The existing formulae for the provision of provincial operating grants for public transit across Canada reflect the above evolution. Quebec, Ontario, Saskatchewan and British Columbia have devised operating grant policies which include target revenue/cost ratios or similar performance incentives. Nova Scotia and Alberta continue with per capita grant formulae, and Manitoba has a flat 50% of the operating deficit as its basis for assistance.

Capital assistance programs among the provinces show more similarity than the operating grants, being all based on a percentage of purchase or construction expenses. The level of "subsidy" varies considerably with respect to grants for rolling stock, from 10% - 30% in Quebec, to 50% in Nova Scotia and

Manitoba, and to 75% in Saskatchewan and Ontario. At the top of this list is Alberta, with up to 100% provincial capital funding, and British Columbia, which purchases directly all required buses, then leases them to the individual systems.

All of the provinces involved in this report provide some funds for the operation of parallel transit services for disabled persons. In general, the financing policies are less complicated than those for the conventional transit grants, although both Ontario and British Columbia include a performance incentive for disabled transit. Nova Scotia, Alberta and Saskatchewan provide per capita operating grants, and Quebec, Ontario, Manitoba and British Columbia use a percentage of deficit formula.

With the exception of Nova Scotia, which responds to innovative transit projects on an individual basis, all provinces surveyed provide financial encouragement for research and development projects.

In Manitoba and British Columbia, approved studies or projects can receive up to 50% provincial funding. In Saskatchewan, this encouragement extends up to 75%, and in Quebec, Ontario and Alberta, this support can be up to 100%. Obviously, this component of the provincial transit programs is subject to considerable change and negotiation on each proposal involved.

Public transit in New Brunswick and Newfoundland is financed through the municipal grants system and is not supported directly by a Provincial urban transit policy. While the Yukon Territorial Government shares in urban transit, there appears to be no similar need in the Northwest Territories. There are no publically funded transit systems in Prince Edward Island.

The federal contribution to the subsidization and encouragement of public transit has traditionally been in the area of research and development area, with projects carried out by Transport Canada and the Transportation Development Centre. In addition, a number of projects have been funded through the

Federal Energy Program and the Department of Regional Industrial Expansion. The Urban Transportation Assistance Program (UTAP), which operated between 1978 through 1984, represented a major federal initiative in the form of contributions to transit capital projects.

Tables 1 and 2 show the basic approaches taken across Canada in funding transit. Details of the individual policies are set out in the next section of this report.

PROVINCE	OPERATING SUBSIDY
Quebec Ontario Saskatchewan British Columbia	Funding based on Revenue/Cost ratio targets or similar incentive
Nova Scotia Alberta	Per-capita grant
Manitoba	50% of operating deficit
Others	See text

PROVINCE	CAPITAL GRANTS
Nova Scotia	50% of purchase
Quebec	10%-30%
Ontario	75%
Manitoba	50%
Saskatchewan	75%
Alberta	100%
British Columbia	Purchase and lease out
Others	See text

TABLE 1

SUMMARY OF FUNDING

(Operating and Capital)

PROVINCE	PARALLEL TRANSIT (Disabled)
Quebec Ontario Manitoba British Columbia	Percentage of operating deficit (Ontario and British Columbia include incentive targets)
Nova Scotia Alberta Saskatchewan	Per capita operating grant
Others	See text

PROVINCE	RESEARCH, STUDIES, DEMO. PROJECTS
British Columbia Manitoba	Up to 50%
Saskatchewan	Up to 75%
Quebec Ontario Alberta	Up to 100%
Nova Scotia	Nil

TABLE 2

SUMMARY OF FUNDING

(Disabled and Development)

PROVINCIAL POLICIES

PROVINCE OF NOVA SCOTIA

Urban Transit Program

SUMMARY

Nova Scotia, through the Department of Municipal Affairs, administers a program of financial and technical support for municipalities and their transit services. The program was formally established in 1978 to assist and improve public transit in making an effective contribution toward the social, economic and mobility needs of all citizens.

The central elements in the Transit Assistance Program are an operating grant, capital grants and funds for transit of disabled persons. In addition, and in response to the changing requirements of the transit systems involved in the Program, other forms of financial and technical assistance are supplied to individual properties.

BACKGROUND

Public Transit in Nova Scotia remained a private enterprise activity longer than in many other parts of Canada. In the mid-seventies, only the capital city of Halifax had direct municipal involvement in the operation of a transit service, and even this was accomplished through a relatively autonomous municipal corporation with a mix of business and political directors.

A program of provincial transit assistance evolved in the Department of Municipal Affairs in a response to two contrasting forces. Firstly, the general North American decline in transit ridership and revenues was putting increas-

ing pressure on private transit operators in the Province to seek municipal subsidies or severely curtail services. Secondly, in the Halifax-Dartmouth Metropolitan area, increasing urban development was resulting in political pressure to improve transit services through the establishment of a regional transit system to replace separate municipal services. These pressures resulted at first in a series of ad hoc provincial grants followed by "transit needs studies" and the development of a formal transit policy in 1978. Following the example of several other provinces, the policy was based on a per capita operating grant and 50 percent capital funding. With incremental operating grant increases in most years, this remains the basis of Nova Scotia's transit assistance program.

The Federal Urban Transportation Assistance Program, launched in the early part of 1978, added a significant stimulous to the capital assistance aspects of the transit funding program in Nova Scotia. Also, at about the time the provincial transit policy was being drafted in the late seventies, consumer and support groups for disabled persons began to lobby for a provincial subsidy for their travel needs. A Nova Scotia Committee on Transportation for the Disabled was established to promote "Barrier-Free Transit". Following a study of various policy options in 1978-79, a per capita grant was established for disabled transit services early in 1979. this resulted in the formation of new parallel transit services in the more urbanized centres of the Province.

SUBSIDY POLICY DETAILS

(i) Operating

The current level of operating assistance for public transit, for the 1984 calendar year, is $4.41 per capita

served. For the purpose of calculating this grant, the Department of Municipal Affairs relies generally on the most recent census figures from Statistics Canada, although modified population figures are used in certain cases by mutual agreement.

The operating grants are payable only to municipalities or their transit agencies, and not to private operators directly.

(ii) Capital

Capital Grants are provided for both rolling stock and certain other major capital purchases, subject to prior approval by the Department. New transit buses are eligible for provincial assistance in the amount of 50% of the invoice cost. The provision of grants towards the cost of acquiring regional maintenance facilities, or towards the costs associated with the acquisition of transit systems, is subject to prior negotiation and a sharing percentage is not predetermined.

In addition to the capital funds made available through the formal policy, special arrangements have been made for cost-sharing items like reconditioned buses, depending on the merits of the individual situation.

(iii) Demonstration

The provision of grants of up to 100% of the net operating costs for provincial Transit Demonstration Projects was a major element in the early years of the

Provincial Transit Assistance Program. Through this funding vehicle, services were extended to new areas, the concept of "express" buses was introduced, and transit for the disabled became a reality.

Now that most of the transit systems in Nova Scotia are more mature in terms of organization, service levels and financial stability, the need for major Demonstration Projects has declined, and this element has been dropped from the formal assistance program.

(iv) Transportation For Physically Disabled Persons

In the Province of Nova Scotia, transit services for disabled services are operated exclusively with lift-equipped vans or modified school buses. These parallel services are designed to compliment local transit services, and are supported by an annual provincial operating subsidy of $1.10 per capita. This subsidy is provided in addition to the transit operating grant of $4.41 per capita, as described in (i).

Capital assistance for lift-equipped vehicles is provided under the conventional 50% funding program.

(v) Others

Financial assistance, in terms of an annual operating grant of $2.20 per capita, is provided to the City of Dartmouth for the commuter ferry service between that city

and downtown Halifax. This two-vessel operation transports 6,500 passengers daily and is an integral part of the Metropolitan Halifax-Dartmouth public transportation system.

An indexed grant, amounting to $605,000 in 1984, is provided to the City of Halifax to offset the increased Deadhead costs resulting from the location of a new regional transit maintenance facility in the neighbouring City of Dartmouth.

Although not part of the official policy structure, the Department of Municipal Affairs also provides monies in support of research and development activities, on an individual project basis and subject to annual budget limitations. Recent examples have included the introduction of TRANSINFO, a computerized transit information system for Metro Transit and a trial operation of propanefuelled disabled transit buses.

Research and development activities and the provision of technical advice are also carried on directly by staff of the Department. These may range from small scale assessments of new service proposals to detailed route and schedule analysis. In general, this type of assistance is made available to smaller properties with limited administrative resources.

NOVA SCOTIA

STATISTICS (FIVE-YEAR DATA)

Conventional Transit	79/80	80/81	81/82	82/83	**Estimated** 83/84
. No. of Systems	4	4	4	5	5
. Ridership	10.7m	11.6m	12.6m	15.3m	15.8m
. Rev. Vehicle km	6.4m	6.4m	6.8m	8.1m	8.2m
. Financial Subsidies:					
Operating	$ .930m	$1.080m	$1.151m	$1.562m	$1.841m
Capital	$1.745m	$3.317m	$1.283m	$2.521m	$1.350m
Demonstration	$ .642m	$ .710m	$ .396m	$ .300m	-
Other	$ .250m	$ .496m	$ .865m	$1.062m	$1.167m
. Population Served	.384m	.384m	.384m	.397m	.400m
Parallel Transit For Disabled Persons					
. No. of Systems	2	4	4	4	4
. Ridership	.008m	.013m	.029m	.033m	.049m
. Vehicle Hours	.006m	.011m	.018m	.021m	.026m
. Financial Subsidies:					
Operating	-	-	$ .113m	$ .124m	$ .469m
Capital	-	$ .150m	-	$ .056m	$ .015m
Demonstration					
. Population Served	.122m	.406m	.406m	.406m	.409m

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GOUVERNEMENT DU QUÉBEC

Evolution des subventions au transport en commun urbain

Décembre 1973 - Subvention aux immobilisations

30% pour les véhicules fabriqués au Québec

10% pour les véhicules fabriqués ailleurs.

1976 - Création du programme d'aide au transport en commun

Subvention aux immobilisations

60% du coût du service de dette pour le métro de Montréal

33% du coût des compagnies privées d'autobus acquises pour établier ou étendre un système de transport en commun.

Subvention de fonctionnement

Directement reliée à la taille du déficit et à l'accroissement de l'achalandage:

45% du déficit d'opération plus 1% de ce déficit pour chaque tranche de 1% de l'augmentation de l'achalandage, jusqu'à concurrence de 10%.

Janvier 1980 - Le programme est profondément modifié:

1° subvention aux immobilisations plus généreuse;
2° introduction d'une subvention au laissez-passer mensuel;
3° une subvention de fonctionnement basée sur les revenus provenant des usagers.

Janvier 1984 - Le programme est légère ment modifié (voir les pages suivantes pour les détails du programme); les principales modifications sont:

1° plafonnement de la subvention de fonctionnement et de la suvention spécifique au laissez-passer par rapport à la quote-part des municipalités de chacune des trois commissions de transport de la région de Montréal;

2° réduction de la subvention spécifique au laissez-passer menseul;

- Le programme est également modifié pour rendre admissibles les municipalités de la région de Montréal qui ne font pas partie d'une commission de transport.

RÉSUMÉ DES RÈGLES DE SUBVENTION AU TRANSPORT EN COMMUN

1. SUBVENTION DE FONCTIONNEMENT ET SUBVENTION AUX IMMOLIBILISATIONS

A. ORGANISMES PUBLICS DE TRANSPORT EN COMMUN

Les commissions et les corporations de transport sont admissibles aux subventions suivantes:

Subvention de fonctionnement

La subvention de fonctionnement est égale à 40% des revenus provenant des usagers des services réguliers.

Pour ne pas pénaliser les organismes, les tarifs réduits (étudiant, personne âgée, laissez-passer) génèrent le même montant de subvention que le tarif régulier.

Subvention spécifique au laissez-passer mensuel

1° Pour être subventionné, le laissez-passer mensuel doit accorder une réduction à l'usager; la réduction peut aller jusqu'à 40% du prix de 50 déplacements au tarif régulier.

2° Jusqu'en 1984, la subvention était égale à 110% de la réduction accordée jusqu'à un maximum de 30% de réduction (15 déplacements). Depuis janvier 1984, la subvention est réduite de 110% à 100% de la réduction consentie.

3° De plus, la réduction remboursée sera réduite graduellement de 30% à 24%, de 1984 à 1986, pour les trois commissions de transport de la région de Montréal.

Plafonnement de la subvention de fonctionnement et de la subvention spécifique au laissez-passer

En 1984, la subvention de fonctionnement ne peut excéder 100% de la contribution municipale pour chacune des trois commissions de transport de la région de Montréal. De plus, la somme de la subvention de fonctionnement et de la subvention spécifique au laissez-passer ne peut excéder 135% de la contribution municipale. Jusqu'en 1989, ces plafonnements vont évoluer de la façon décrite au tableau suivant.

PLAFONNEMENT DE LA SUBVENTION DE FONCTIONNEMENT ET DE LA SUBVENTION SPÉCIFIQUE AU LAISSEZ-PASSER PAR RAPPORT À LA CONTRIBUTION MUNICIPALE DANS LES TROIS COMMISSIONS DE TRANSPORT DE LA RÉGION DE MONTRÉAL

	Subvention de fonctionnement	Subvention de fonctionnement et spécific au laissez-passer
1984	100	135
1985	95	130
1986	90	125
1987	85	120
1988	80	115
et suivantes		

Subvention aux immobilisations

1° 75% des dépenses encouruers pour l'acquisition d'autobus, d'arbribus, de garages, de terminus et de compagnies privées dans le but d'établier ou étendre un réseau urbain de transport en commun.

2° 100% du coût des systèmes de transport en commun rapides (métro, système léger sur rail, trains de banlieue).

B. MUNICIPALITÉS

Admissibilité

Les municipalités de la région de Montréal qui ne font pas partie d'une commission de transport sont admissibles depuis janvier 1984.

Subvention de fonctionnement

La même que dans les commissions et corporations de transport.

Subvention spécifique au laissez-passer mensuel

La réduction peut aller jusqu'à 40% du prix de 42 déplacements au tarif régulier. La subvention est égale à 100% de la réduction jusqu'à une rèduction maximum de 30%.

Plafonnement de la subvention de fonctionnement et de la subvention spécifique au laissez-passer

La somme de la subvention de fonctionnement et de la subvention spécifique au laissez-passer ne peut excéder 75% du déficit d'operation.

Subvention aux immobilisations

75% du coût des abribus.

2. ÉTUDES ET PROJETS EXPÉRIMENTAUX

Jusqu'à 100% du coût de la réalisation de certaines études ou projets expérimentaux relatifs à l'amélioration des services de transport en commun. Tous les organismes publics de transport en commun et toutes les municipalités sont admissibles sans restriction à cette subvention.

3. SERVICES SPÉCIALISÉS DE TRANSPORT EN COMMUN POUR LES PERSONNES HANDICAPÉES

Le programme d'assistance financière aux services de transport adapté pour les personnes handicapées (physiques et mentales) prévoit une contribution gouvernementale de l'ordre de 75% des coûts d'opération et d'immobilisation relatifs au fonctionnement des services. Le programme s'addresse à tous les organismes publics et municipalités sans restriction.

Statistiques (5 dernières années

	1980	1981	1982	1983	Estimés 1984
. Nombre de municipalités participant au programme	61	160	213	272	300
. Achalandage ('M)	0,10	0,37	0,58	0,78	0,90
. Véhicules-heures d'opération ('M)	n/a	0,23	0,32	0,37	0,39
. Assistance financière (Subv. gouvernementales, immobilisations et opération) (M$)	1,4	4,8	7,7	9,5	10,7

NOTE: Les données sont fournies sur la base de l'année civile.

QUÉBEC

EVOLUTION DES STATISTIQUES OPERATIONNELLES ET FINANCIÈRES DES ORGANISMES PUBLICS DE TRANSPORT EN COMMUN DU QUEBEC (000'000)

	79/80	80/81	81/82	82/83	83/84
TRANSPORT EN COMMUN					
NOMBRE D'ORGANISMES (UNITES)	9	9	10	10	10
ACHALANDAGE	336	387	424	393	N/A
VEHICULES-KM (SERVICE REGULIER)	173	198	218	207	228
SUBVENTIONS PROVINCIALES					
SUBVENTION DE FONCTIONNEMENT	83.43	97.43	129.78	185.48	192.14
IMMOBILISATIONS (RESEAU DE SURFACE)	11.59	8.21	10.21	23.21	36.52
IMMOBILISATIONS (RESEAU RAPIDE)	54.43	72.04	91.83	113.22	90.39
ETUDES	.05	.14	.13	.00	.20
POPULATION DESSERVIE	3.24	3.45	3.50	3.33*	N/A

* SELON LE RECENSEMENT DE 1981.

84 03 23
MINISTERE DES TRANSPORTS
DIRECTION GENERAL DU
TRANSPORT TERRESTRE DES PERSONNES

PROVINCE OF QUEBEC

Evolution of Urban Transit Program

December 1973 - Capital cost subsidy

30% for vehicles made in Quebec

10% for vehicles manufactured elsewhere

1976 - Creation of a public transit grants program

Capital cost subsidy

60% of debt servicing cost (Montreal subway)

33% of the cost of private bus companies acquired in the process of establishing or expanding a public transit system.

Operating cost subsidy

Directly related to the size of the deficit and the increase in ridership, up to a maximum of 10%.

January 1980 - Program is profoundly modified; the main features are:

1 - larger capital grants
2 - introduction of a monthly pass grant
3 - an operating cost grant linked to the revenues collected from transit users.

January 1984 - **Program is slightly modified (see following pages for details); the main modifications are:**

1 - Ceiling of operating and monthly pass grants in relation to the municipal contribution for the three public transit commissions of the Montreal metropolitan area.

2 - reduction of the monthly pass grant

- Program is modified so that the municipalities of Montreal area not members of a public transit commission become eligible.

SUMMARY OF RULES GOVERNING PUBLIC TRANSIT SUBSIDIES

1. CAPITAL AND OPERATING SUBSIDIES

A. PUBLIC TRANSIT AUTHORITIES

Public transit commissions and corporations are eligible to the following subsidies:

Operating Grant

A subsidy equal to 40% of regular service revenues.

In order not to penalize the operators, reduced fares (students, senior citizens, monthly pass) receive the same amount of subsidy as regular fare.

Monthly Pass Grant

1 - To be subsidized, the monthly pass must be sold at a discount; the discount may range up to 40% of the price of 50 trips at regular fare.

2 - Up to 1984, the subsidy was equal to 110% of the discount, up to a 30% discount (15 trips). Since January 1984, the subsidy has been reduced from 110% to 100% of the discount.

3 - In addition, refunded discount will be reduced gradually from 30% to 24%, from 1984 to 1986, for the three public transit commissions in the Montreal area.

Ceiling of operating and monthly pass grants

For 1984, operating grant must not exceed 100% of the municipal contribution for each of the three public transit commissions in the Montreal area. In addition, the total of the operating grant and the monthly pass grant must not exceed 135% of the municipal contribution. Up to 1989, these ceilings will evolve according to the following table.

CEILING OF OPERATING GRANT AND MONTHLY PASS GRANT IN RELATION TO THE MUNICIPAL CONTRIBUTION IN THE 3 PUBLIC TRANSIT COMMISSIONS IN THE MONTREAL AREA

	Operating Grant	Operating and Monthly Pass Grant
1984	100	135
1985	95	130
1986	90	125
1987	85	120
1988	80	115
and ensuing years		

Capital Expenses Grant

1 - 75% of the total expenses incurred in the acquisition of buses, passenger shelters, garages, terminals and private transit companies for establishing or enlarging an urban public transit network.

2 - 100% of the cost of rapid transit systems (subway, light rail, commuter trains)

B. MUNICIPALITIES

Eligibility

The municipalities of the Montreal area not members of a public transit commission have been eligible since January 1984.

Operating Grant

Same as public transit commissions and corporations.

Monthly Pass Grant

The discount may range up to 40% of the price of 42 regular fare trips. The subsidy is equal to 100% of the discount, up to a 30% discount.

Ceiling of Operating and Monthly Pass Grants

The total of operating and monthly pass grants must not exceed 75% of the deficit of operation.

Capital Expenses Grant

75% of the cost for passenger shelters.

2. STUDIES AND EXPERIMENTS

Up to 100% of the cost of research and demonstration projects for the establishment or the improvement of transit services. Available to all public transit authorities and municipalities without restriction.

3. TRANSIT SERVICES FOR DISABLED PERSONS

The program of financial assistance to transportation services for both physically and mentally disabled provides for a provincial contribution of 75% of the combined capital and operating costs incurred in the provision of specialized services. Available to all public transit authorities and municipalities without restriction.

Statistics (Five Years Data)

	1980	1981	1982	1983	Estimates 1984
. No. of municipalities with specialized services	61	160	213	272	300
. Ridership ('M)	0,10	0,37	0,58	0,78	0,90
. Vehicle hours ('M)	n/a	0,23	0,32	0,37	0,39
. Financial assistance (Provincial subsidies) capital and Operating ('M$)	1,4	4,8	7,7	9,5	10,7

Note: Statistics are compilated on the basis of the fiscal year.

EVOLUTION OF FINANCIAL AND OPERATING STATISTICS OF QUEBEC PUBLIC TRANSIT AUTHORITIES (000'000)

	79/80	80/81	81/82	82/83	83/84
CONVENTIONAL TRANSIT					
NO. OF SYSTEMS (UNITS)	9	9	10	10	10
RIDERSHIP	336	387	424	393	N/A
REV. VEHICLE KILOMETRES	173	198	218	207	228
FINANCIAL (PROVINCIAL SUBSIDIES)					
OPERATING SUBSIDIES	83.43	97.43	129.78	185.48	192.14
SURFACE CAPITAL	11.59	8.21	10.21	23.21	36.52
RAPID TRANSIT CAPITAL	54.43	72.04	91.83	113.22	90.39
STUDIES	.05	.14	.13	.00	.20
POPULATION SERVED	3.24	3.45	3.50	3.33*	N/A

* ACCORDING TO THE 1981 CENSUS.

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PROVINCE OF ONTARIO

Municipal Transit Program

SUMMARY

The Province of Ontario provides financial, technical and technological assistance to municipalities in order that they may develop and operate their desired level of public transit services in consideration of local conditions and the achievement of specific objectives. The individual municipalities have autonomy and jurisdiction over all aspects related to the provision of services including planning, management and operating policies with respect to service levels and fare structure.

Under the financial assistance programs, municipalities are eligible to receive provincial subsidies towards the expenditures incurred in developing and rehabilitating the transit system infrastructure needs and its system operation. In addition, the Province provides technical assistance and contributes expertise and venture funds toward development and demonstration projects in pursuit of operational, managerial and technical strategies leading to improved efficiency and effectiveness and the promotion of home-based technology and industrial development.

To meet the mobility needs of those persons who are unable to board regular transit vehicles, the Province also financially assists municipalities in the provision of parallel transit service.

BACKGROUND

While the Province first contributed to municipal transit undertakings in 1964 (financial assistance to Toronto Subway Construction), its major initiatives in public transportation started in the seventies. To some extent, this generally corresponds to a transitional period for urban transit, which

included such aspects as erosion of financial viability, increased interest as an environmentally acceptable alternative to private automobiles and roads, and increasing public ownership with broad objectives.

Commencing in 1971, the Province introduced an operating subsidy program which contributed half of municipal transit deficits within a prescribed ceiling. In late 1972, the Province announced the removal of the operating subsidy ceilings, the implementation of a capital assistance program, and initiatives in the area of transit development and demonstration. These particular thrusts permitted municipalities the opportunity to rejuvenate their transit systems, and by so doing, improve their attractiveness to existing and potential users.

In the latter part of the decade, following initial maturation of the program, and in consideration of financial constraints, the operating policy was modified. The revised approach substituted 50% of a theoretical deficit for the provincial contribution as opposed to 50% of the previous open-ended deficit. the theoretical deficit base reflected user/public funding ratios at that time, and was adopted in the interests of maintaining deficits within tolerate limits and emphasizing productivity and efficiency. Special provisions were also incorporated to allow for relative immaturity associated with instances of major population increases, or the implementation of major new transit facilities.

In 1980, the operating subsidy mechanism was further refined in recognition of transit's influential role in energy conservation and also to incorporate greater flexibility and equity with respect to individual system characteristics, needs and performance. The formula retained 50% of theoretical net cost as a base, while a new component was added only for those systems whose actual net cost was greater than the theoretical figure. While the modified approach provided added municipal flexibility, the incentive concept still remained as an integral element of the revised formula.

With respect to public transportation services for physically disabled persons, commencing in 1979, the Province introduced a program which provided funding to municipalities offering parallel transit services for those residents who are unable to board regular transit facilities. In addition, through its conventional transit program, the capital subsidy is extended to municipalities for certain features, which would make the use of conventional transit easier for those experiencing difficulty.

SUBSIDY POLICY DETAILS

(i) OPERATING

The Operating Subsidy Program provides a basic subsidy of 50% of a theoretical deficit based on a target revenue/cost ratio. The amount of basic subsidy under this program is calculated using an incentive formula and varies by population grouping as presented in the following table:

Population	Theoretical Revenue to Cost Target	Subsidy as Percentage of Operating Cost
0 - 100,000	50%	25%
100,000 - 150,000	55%	22.5%
150,000 - 200,000	60%	20%
200,000 - 1,000,000	65%	17.5%
Over 1,000,000	72.5%	13.75%

In addition to the basic subsidy, a municipality is eligible to receive an additional subsidy if its system's actual net operating cost exceeds the theoretical net operating cost. The "additional" net cost (Actual minus Theoretical) is eligible for an additional subsidy at the rate of 25%. The additional net cost is limited to a maximum of 25% of theoretical net cost.

In addition to the general terms, there are some special provisions, Where a municipal population grows by more than 4% during a year, a special subsidy is available at 1.5% of annual operating cost for each 1% of population growth over 4%. The population figures to be used are those published in the Municipal Directory by the Ministry of Intergovermental Affairs. Also, new major transit facilities will receive a special operating subsidy for their initial years of operation. Agreements will be developed for such undertakings on an individual basis. A major transit facility is defined as one requiring an exclusive right-of-way.

Furthermore, there is a ceiling to the provision of operating subsidies. In no case will a municipality receive more than 75% of the net cost (actual operating deficit).

(ii) CAPITAL

Vehicles

The Province pays 75% of the cost of transit vehicles, provided that a need has been demonstrated; approval has to be obtained prior to the municipality entering into any commitment. Eligible items are buses, streetcars, trolley buses and fareboxes and tires if ordered with new buses. Approval can be given to the purchase of used equipment where it was a viable economic alternative to new equipment.

Buildings

A subsidy of 75% of cost is paid on renovation and construction of garage and terminal buildings for use of the transit system. This in-

cludes purchase of land, purchase and installation of shelters, and land purchase for and construction of terminal parking facilities primarily for the use of transit passengers.

Other

Overhead power lines, track and specialized transit infrastructure are eligible for 75% capital subsidy. Service vehicles such as tow trucks or repair trucks are also subsidized at the same rate. Some interior items in buildings are also eligible for capital subsidies at this rate; basically, the allowable items are those attached to the building and cranes, hoists, etc. Office equipment is depreciated over a reasonable period and subsidized through the operating subsidies.

Rapid Transit Capital Subsidy

The rate of subsidy for rapid transit construction is 75%. Eligible items are system planning and design, land acquisition and preparation, construction of all necessary facilities, rapid transit vehicles, power systems and control, signalling, communications and surveillance systems.

(iii) DEMONSTRATION

The Province contributes up to 100% of the costs for development/demonstration projects in pursuit of operational, managerial and technical strategies to improve the efficiency and effectiveness of public transportation if they are applicable to the municipal system throughout Ontario.

(iv) TRANSIT FOR DISABLED PERSONS

Under this program, eligible capital costs incurred by municipalities will be subsidized at the rate of 50%.

Provincial operating subsidy to municipalities providing a public transportation service for disabled persons is comprised of two components: "Basic" and "Passenger Based". In situations where the service is provided utilizing vehicles which were originally purchased with provincial financial assistance, the operating subsidy will amount to 25% of eligible costs (Basic) plus $2.50 per passenger trip (Passenger Based). Additionally, future replacement of these vehicles will be considered as an eligible item for capital subsidy.

In certain cases, the service is provided on behalf of the municipality through an approved contractural agreement utilizing vehicles which were originally purchased, and are expected to be replaced, without provincial financial assistance. For these types of operations, "Basic" subsidy will be 30% of the total eligible costs while the "Passenger Based" subsidy rate will remain at $2.50 per passenger trip.

(v) OTHERS

The Province also provides direct and financially assisted advisory service to municipalities in the planning of transit services and in the design of new or expanded transit maintenance/terminal facilities and equipment requirements.

In addition to municipal assistance, through GO Transit (provincial agency), the Province administers and operates interregional commuter services to the urbanized area around Toronto. The responsibility for the planning of these interregional services and their coordination with municipal services rests with the Province.

STATISTICS (FIVE-YEAR DATA)

Conventional Transit	79/80	80/81	81/82	82/83	Estimated 83/84
. No. of Systems	52	54	57	57	59
. Ridership	548M	576M	610M	623M	635M
. Rev. Vehicle Kilometres	273M	282M	296M	306M	313M
. Financial:					
(Provincial Subsidies)					
Operating Subsidy	$61.1M	$71.6M	$86.1M	$100.0M	$111.9M
Surface Capital	$36.4M	$23.3M	$57.7M	$36.1M	$39.8M
Rapid Transit Capital	$17.9M	$28.5M	$18.7M	$31.3M	$92.1M
Studies & Demo Projects	$ 7.7M	$ 6.4M	$ 6.5M	$24.1M	$ 4.2M
. Population Served	6.15M	6.23M	6.32M	6.37M	6.45M
Transit for Disabled Persons					
. No. of Municipalities with Specialized Services	21*	26	44	45	48
. Ridership	0.26M*	0.65M	0.89M	1.01M	1.25M
. Vehicle Hours	0.12M*	0.3M	0.43M	0.52M	0.60M
. Financial:					
(Provincial Subsidies)					
Capital and Operating	$1.0M*	$2.8M	$4.6M	$5.5M	$7.1M

* 6 Months Statistics

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PROVINCE OF MANITOBA

FUNDING AGENCIES - DEPARTMENT OF URBAN AFFAIRS
DEPARTMENT OF MUNICIPAL AFFAIRS
DEPARTMENT OF HIGHWAYS AND TRANSPORTATION

A. SUMMARY

The Province of Manitoba provides financial assistance to the transit system in Winnipeg through the Department of Urban Affairs and to the transit systems in Brandon, Thompson and Flin Flon through the Department of Municipal Affairs. The Department of Highways and Transportation funds handicapped transportation services in communities in rural Manitoba.

B. BACKGROUND

Provincial financial assistance for transit began in 1966 when the provincial grant to Winnipeg was made equal to the lesser of either 5% of operating revenues in the next previous year or the previous year's deficit. Cost-sharing of capital purchases began in 1972 and innovative urban transportation demonstration projects in 1974. During the years 1979 to 1981 transit funding for Winnipeg was incorporated within the Block Grant and not detailed separately within the provincial budget.

Transit systems in the cities of Winnipeg and Brandon are municipally-owned and operated. In the cities of Thompson and Flin Flon, transit services are provided by private operators on a contract basis to the municipalities.

(i) OPERATING

The Province of Manitoba makes annual grants equal to 50% of the net audited operating deficit of transit systems in Winnipeg, Brandon, Thompson and Flin Flon, subject to an annually determined maximum contribution.

(ii) CAPITAL

Capital grants equal to 50% of the net cost of approved bus purchases are made to the municipally-run transit systems in Winnipeg and Brandon.

(iii) DEMONSTRATION

Approved innovative urban transit demonstration projects in Winnipeg and Brandon are eligible for grants equal to 50% of the net cost.

(iv) TRANSIT FOR DISABLED PERSONS

Disabled transportation services are an integral part of the municipal transit systems in Winnipeg and Brandon and, as such, receive provincial financial assistance equal to 50% of the net audited operating deficit and 50% of the net cost of approved bus purchases.

The Department of Highways and Transportation funds disabled transportation services in rural Manitoba. Grants include a one-time startup grant of $6,000, additional assistance equal to 50% of the cost of capital purchases to a provincial maximum of $10,000 and an operating grant equal to 37½% of operating costs (25% of operating costs are assumed to be recovered from the user and the remaining 75% is split with the municipality) to a provincial ceiling of $20,000.

D. STATISTICS

. Number of Systems (4) Winnipeg, Brandon, Thompson, Flin Flon

Rural Disabled Transportation: Seven communities in 83/84.
Four more to start up in 84/85.
Two additional applications pending.

. Total Vehicle Kilometres Winnipeg (1982) - 25,955,500
(1983) - 25,620,000

. Subsidies

. Type of Subsidy	1981/82	1982/83	BUDGET 1983/84
Operating	12.1M	14.2M	15.6M
Capital:			
Provincial	0.1	0.1	1.0
Federal	0.5	0.3	0.2
Demonstration	0.7	0.6	1.0
Transportation for Physically Disabled Persons*			

* The cost of transportation for physically disabled persons is an integral element of the operating and capital grants noted above.

Population Served

	1982	1983
Winnipeg	592,900	597,760
Brandon	36,343	36,343
Thompson	14,288	14,288
Flin Flon	7,894	7,984
	651,425	656,285

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PROVINCE OF SASKATCHEWAN

DEPARTMENT OF URBAN AFFAIRS
TRANSIT PROGRAMS

BACKGROUND

Saskatchewan Urban Affairs provides financial assistance to municipalities for transit through the Municipal Transit Assistance Program and the Transit for the Disabled Program. Although the purpose of both these programs is to assist municipalities to meet some of their financial commitments, each program functions separately and there are differences.

PROGRAM DETAILS

Municipal Transit Assistance Program

The Municipal Transit Assistance Program (MTAP) provides provincial financial assistance to cities and towns with public transit service. The program provides funding toward the operation of transit services, plus assistance for capital projects, studies and demonstration projects. (eight centres participate in this program).

The provincial transit operating subsidy formula was introduced in 1981 to replace an earlier approach includes $3.00 per capita grants plus incentive grants for the four largest cities, and $2.00 per capita for other centres with public transit systems. The per capita funding provides basic support for transit as an urban service.

The incentive grants are intended to encourage municipal transit systems to achieve increased ridership while controlling growth of their transit operating deficit. These grants give the four largest cities the opportunity to obtain additional provincial assistance by achieving greater productivity and efficiency. The incentive grants are calculated from a formula such that more provincial assistance is paid when ridership is increased or deficits are reduced.

The capital funding component of the program covers 50% of the cost of acquiring new vehicles or refurbishing older buses in the four largest centres, and 75% in other cities and towns. Transit construction or other approved capital improvements such as communications systems, computerization, shelters, transfer terminals, etc. are provided with 75% provincial assistance, with the exception of transit storage and maintenance facilities. Funding for approved transit studies and demonstration projects is also provided at 75% of costs.

Transit for Disabled Persons

Participating municipalities receive financial assistance from the province to provide public door to door transit service for disabled and frail elderly persons. Each municipality establishes its own criteria for operation of these services. In many cases, this is the only means of transportation for these citizens since they would not be able to use the regular transit service.

Since 1981 when Urban Affairs was given responsibility for administering these programs, an increased rate of growth, in terms of the number of municipalities providing transit service for disabled persons is evident. There are currently 45 municipalities participating under this program.

SASKATCHEWAN URBAN AFFAIRS

March 1984

END OF YEAR FINANCIAL REPORT - 1983-84

COMMUNITY	MUNICIPAL TRANSIT ASSISTANCE		TRANSIT FOR THE DISABLED	
	Capital	Operating	Capital	Operating
Creighton	$ -	$ 3,200	$ -	$ -
Moose Jaw	13,100	190,500	23,800	40,000
Battlefords	-	35,100	-	19,300
Prince Albert	6,400	211,800	800	97,600
Regina	673,900	737,200	-	401,800
Saskatoon	491,600	897,500	82,400	213,900
Swift Current	-	29,400	-	3,700
Yorkton	-	30,600	-	15,100
Others	-	-	182,800 (8)	43,500 (37)
TOTAL	$1,185,000	$2,135,300	$289,800	$834,900

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PROVINCE OF ALBERTA

TRANSIT PROGRAMS (1983)

SUMMARY

The Urban Transportation Branch of Alberta Transportation provides a total of 9 grants to cities and municipalities. Three of these are applicable to transit: Public Transit Capital, Public Transit Operating and Research and Development grants, and these are available to eligible municipalities. Local autonomy is retained regarding planning, implementation, operation and all other aspects related to the provision of each service.

BACKGROUND

In June of 1974, the Provincial Government announced a new City Transportation Policy which added assistance towards capital and deficit financing of public transit systems. This was to be a six-year program, however, on January 10, 1979 the Alberta Government announced a new six-year program of financial assistance to cities and major urban areas for the development of their respective urban transportation systems and facilities. The new program was announced as a six-year commitment and contains the following grants relevant to transit assistance:

(1) Public Transit Capital -

Provides financial assistance to cities and major urban regions for the development, implementation and improvement of public transit systems. Approved projects are eligible for a contribution of up to 100 percent of approved costs, up to the maximum annual funding level. This grant is an extension of the 1974 program.

(2) **Public Transit Operating** -

Provincial funding available under this grant will assist in the cost of operating public transit services and parallel transit services for the elderly and disabled. Funding is based on an unconditional per capita allocation broken down as follows for each year of the program. For cities with approved public transit systems:

1974 to 1976	$ 3.00/capita	Funding based on 50% of the operating deficit up to the specified maximum per capita allocation.
1977 to 1978	$ 3.33/capita	
1979 to 1980	$ 7.50/capita	Unconditional per capita allocation.
1981	$ 9.00/capita	
1982 to 1983	$10.00/capita	

The above figure represents the allocation for operating assistance to both the regular transit service and the disabled transit service.

Since 1979, those cities and all other municipalities in the province without an approved public transit system (including towns, villages and rural municipalities) receive an annual allocation of $2.00 per capita for the operation of transportation services for the elderly and/or disabled. This grant is unconditional and calculated based on the population determined by the previous year's census information.

(3) **Research and Development** -

Prior to the 1979 program two components were applicable under this grant. Funds were available for research or demonstration projects to roadways and transit. Since 1979, however, both programs have been combined into one grant. Funds are made available to each city on a project by project basis, up to a maximum annual allocation.

SUBSIDY DETAILS

(1) **Capital** -

Funding is provided to each city on approved projects up to 100%, up to the maximum specified annual allocation.

This grant is unconditional, but the funds available can be interchanged with two other capital related grants: Arterial Roadway Capital and Transportation Systems Management.

Items eligible to receive financial assistance under the public transit capital program include:

- LRT construction,
- Transit garages, maintenance facilities, and other public transit facilities,
- Light rail vehicles, buses and other rolling stock. Not included is the funding of capital for parallel transit services (i.e. specially equipped vans for the use of disabled individuals),
- Shelters and other ancillary items of a capital nature.

(2) **Operating** -

This is an unconditional grant provided to assist cities and municipalities (including towns, villages and rural municipalities) in the operation of public transit systems and systems for the specific use of elderly and/or disabled persons. Those cities with a public transit system receive $10.00 per capita. All other cities and municipalities receive $2.00 per capita to be used for the implementation or operation of a custom transportation service (or other paratransit service).

(3) **Research and Development** -

Research and Development projects are funded on a 2/3 provincial, 1/3 city basis for most individual city projects.

Those projects having multi-jurisdictional interest can be funded at levels up to 100%. Examples of these include:

- Transit Marketing Study for Small Properties in Alberta,
- Fare Box Evaluation Study: City of Edmonton,
- Articulated Bus Study,
- Computerized Telephone Information System.

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S. Empson/ilp/March 6, 1984

STATISTICS (FIVE-YEAR DATA

	1979/80	1980/81	1981/82	1982/83	Estimated 1983/84
Conventional Transit					
Number of Systems*	7	8	9	9	9
Ridership	N/A	N/A	120M	N/A	N/A
Revenue Vehicle Kilometres	N/A	N/A	66M	N/A	N/A
Financial (Provincial Subsidy)					
Capital	$27,064,000	$36,449,000	$42,664,000	$48,210,000	$49,039,000
Operating	9,816,776	11,171,859	13,885,267	15,356,782	16,043,380
Research & Development**	280,000	290,000	375,000	305,000	320,000
Population Served					
Operating	2,010,591	2,094,212	2,181,374	2,273,955	2,293,144
Capital & Research & Development	1,295,323	1,342,463	1,413,979	1,478,716	1,505,178

*Systems include - Calgary, Edmonton, Fort McMurray (1981), Grande Prairie (1981), Lethbridge, Medicine Hat, Red Deer, St. Albert, County of Strathcona (Sherwood Park). In addition, Airdrie has operated a system since 1980, but has not been funded under the normal transit related grants.
- Funds available under Public Transit Operating are available to cities, towns, villages, rural municipalities, but Public Transit Capital and Research and Development are available to cities plus the County of Strathcona (for Sherwood Park only).
Population for Lloydminster includes Alberta side only.

**Funds for Research and Development are estimates only.
No statistics are available for funding assistance to the Elderly and Disabled.

S.Empson/ilp/March 6/84

ALBERTA

PUBLIC TRANSIT CAPITAL (PTC)
- 5 YEAR PROGRAM FUNDING SUMMARY -

	1979/80	1980/81	1981/82	1982/83	1983/84	TOTALS
Calgary	$12,500,000	$17,000,000	$20,000,000	$11,675,000	$23,000,000	$ 95,175,000
Edmonton	12,500,000	17,000,000	20,000,000	22,675,000	23,000,000	95,175,000
Lethbridge	400,000	440,000	480,000	520,000	560,000	2,400,000
Red Deer	292,000	332,000	352,000	382,000	412,000	1,760,000
Medicine Hat	267,000	297,000	327,000	358,000	387,000	1,636,000
St. Albert	350,000	385,000	415,000	445,000	475,000	2,070,000
Fort McMurray	N/A	215,000	235,000	255,000	275,000	980,000
Grande Prairie	150,000	150,000	185,000	200,000	200,000	885,000
Camrose	85,000	85,000	85,000	85,000	85,000	425,000
Wetaskiwin	65,000	65,000	65,000	65,000	65,000	325,000
Lloydminister	55,000	55,000	55,000	55,000	55,000	275,000
Drumheller	50,000	50,000	50,000	50,000	50,000	250,000
Strathcona	350,000	385,000	415,000	445,000	475,000	2,070,000
TOTALS	$27,064,000	$36,449,000	$42,664,000	$48,210,000	$54,387,000	$203,426,000

S. Empson/ilp/February 28/84

ALBERTA

PUBLIC TRANSIT CAPITAL (PTO)
- 5 YEAR PROGRAM FUNDING SUMMARY -

	1979/80	1980/81	1981/82	1982/83	1983/84	TOTALS
Calgary	$3,981,120	$ 4,204,635	$ 5,362,713	$ 5,918,570	$ 6,231,330	$25,662,368
Edmonton	3,685,192	3,793,298	4,690,845	5,299,240	5,513,140	22,981,715
Lethbridge	387,510	398,513	491,616	546,240	565,000	2,388,879
Red Deer	295,275	310,283	408,645	454,050	485,620	1,953,873
Medicine Hat	272,670	282,630	359,406	399,340	403,800	1,717,846
St. Albert	215,385	221,340	280,620	311,800	329,820	1,358,965
Fort McMurray	N/A	208,380	276,948	307,720	335,760	1,128,808
Grande Prairie	40,854	45,436	227,924	241,680	242,630	798,524
Camrose	22,420	23,796	24,714	24,714	25,618	121,261
Wetaskiwin	17,184	18,334	19,102	19,102	19,792	93,514
Lloydminister	15,064	16,846	18,058	18,058	18,058	86,084
Drumheller	12,408	12,760	12,760	12,760	13,016	63,704
Strathcona	198,720	198,720	259,182	292,220	297,640	1,246,482
SUB-TOTALS	9,143,802	9,734,971	12,396,533	13,845,494	14,481,224	59,602,024
Other Towns and Villages*	672,974	1,436,888	1,488,734	1,511,288	1,562,156	6,672,040
TOTALS	$9,816,776	$11,171,859	$13,885,267	$15,356,782	$16,043,380	$66,274,064
Based On:						
Cities with Transit	$7.50/capita	$7.50/capita	$9.00/capita	$10.00/capita	$10.00/capita	
Cities w/o Transit	2.00/capita	2.00/capita	2.00/capita	2.00/capita	2.00/capita	

*Includes Airdrie @ $2.00/capita

S. Empson/ilp/February 28/84

PROVINCE OF BRITISH COLUMBIA

TRANSIT PROGRAM

SUMMARY

The British Columbia Transit Act provides for BC Transit and Municipalities or Regional Transit Commissions (in the Vancouver and Victoria areas) to make contributions to the costs associated with the operation of local transit services. In addition to contribution for regularly scheduled services, BC Transit may contribute up to fifty percent of the cost of municipality initiated research or demonstration projects to test and evaluate some aspect of transit service.

BC Transit, as part of its mandate, funds transportation for those who are unable to use conventional public transit vehicles - a Custom Transit Service, handyDART.

BACKGROUND

The Urban Transit Authority Act was introduced in June 1978 and received the assent of the Legislative Assembly of the province of British Columbia on June 29, 1978. Proclamation of a majority of the sections of the Act followed on July 20, 1978.

In 1982, the Authority was renamed BC Transit under amendments to the legislation now known as the BC Transit Act.

The Act established a Crown agency with a board of directors composed of locally elected representatives from throughout the province. The board is responsible for participating with local governments in the establishment of transit policy and for coordination of the planning and funding of the various municipal transit systems in British Columbia.

The Act provides for decisions respecting levels of service fares and routes to be made by local governments by means of annual agreements with BC Transit and a transit operating company.

The costs associated with the operation of local services are shared by BC Transit and the designated municipality on the basis of a cost-sharing formula prescribed by provincial regulations pursuant to the Act.

The Act provides local government in high-cost areas with a means of utilizing supplementary revenue sources for their share of the annual expenses. Municipalities may apply to the provincial government to place a surcharge on power accounts, and to tax gasoline and fuel to fund local transit services.

Under the BC Transit Act, transit system deficits are shared between BC Transit, representing the provincial government, and the municipality.

The cost-sharing formula provides that in the first two years of an agreement, BC Transit pays 75% of the operating deficit and the municipality 25%. In the third year, the municipality's share rises to 30%; in the fourth year and thereafter, 33 1/3%.

For conventional transit services in Vancouver and Victoria, the revenue from riders and other sources is expected to cover 35% of the operating cost, while in other areas of the province it is 30%. Custom Transit services have a "farebox target" of only 10% of total costs.

The variation in the revenue target structure recognizes the higher costs of custom transit and the province's responsibility to meet the transportation needs of those who use the service. A special Provincial Revenue Supplement will bridge the gap between the custom transit and conventional

transit revenue targets. As such, fares are usually $1 - $1.25 and are set to recover 10% of operating costs. The municipality provides 20% of the total costs and BC Transit 70%.

Where the target revenue/cost ratio is not reached, (35% for metropolitan areas and 30% for other areas), the province still pays for its percentage based on the theoretical deficit, while the revenue shortfall is added to the municipality's share of the deficit. Where the target revenue/cost ratio is exceeded the province again pay its percentage based on the theoretical deficit, while the revenue surplus is credited to the municipality's share of the deficit.

BC Transit undertook to negotiate a change in the cost-sharing formula for 1982/83 in recognition of the Provincial Restraint Program (July 1982), the budget surpluses that the regional districts had accumulated, and the change in the total cost of transit operations resulting from the reduction in lease fee changes.

Agreement was subsequently reached with the regional districts on advancing by one year the introduction of the established cost-sharing formula from 70% BC Transit and 30% regional district (Metro areas only). The revised cost-sharing formula is now:

SMALL COMMUNITIES	YEAR				
	1	2	3	4	5
BC Transit	75%	75%	70%	66.7%	66.7%
Municipality	25%	25%	30%	33.3%	33.3%
Vancouver/Victoria	1	2	3	4	5
BC Transit	75%	75%	66.7%	66.7%	66.7%
Municipality	25%	25%	33.3%	33.3%	33.3%

SUBSIDY POLICY DETAILS

(i) OPERATING

The operating assistance formula calls for a certain percentage of the operating cost to be recovered from the farebox. If these targets are met, the balance is split with the province on a sliding scale. The percent of the deficit to be shared by the province and the municipality is as follows:

YEAR	PERCENT MUNICIPALITY	PERCENT PROVINCE
Year 1	25	75
Year 2	25	75
Year 3*	30	70
Year 4	33.3	66.7
Year 5	33.3	66.7

* In the Vancouver and Victoria areas, advancement of 66.7 and 33.3% to Year 3.

The revenue in excess of the annual target figure is used to reduce the municipal contribution to the deficit. Revenue shortfalls are the responsibility of the municipality.

(ii) CAPITAL

All vehicles are owned by BC Transit. The cost of leasing vehicles from the Unified Provincial Fleet is included in the Annual Operating Costs.

(iii) DEMONSTRATION

BC Transit shares up to 50% of the costs of demonstration projects designed to test and evaluate various aspects of transit service or technology.

(iv) TRANSIT FOR DISABLED PERSONS

Transit service for Disabled Persons or Custom Transit as a substitute for a conventional fixed route service in smaller communities, is also subsidized in a similar manner. The program ensures that the person using custom or paratransit services need not pay more than 10% of the total costs of providing the service. The province supplements the gap between the 10% farebox recovery and the prescribed revenue target of 30% in small communities. If a paratransit system carries only disabled passengers, then the maximum provincial supplement of 20% would apply.

(v) OTHERS R & D

See (iii)

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STATISTICS - (FIVE YEAR DATA)

	1979/80	1980/81	1981/82	1982/83	1983/84
CONVENTIONAL					
No. of Systems	18	23	24	24	24
Ridership	110M	118M	115M	112M	115.2M
Revenue Vehicle Kms	58M	58M	69M	72M	72M
Financial (Provincial Subsidies)					
Operating	$ 58M	$ 67M	$ 77M	$ 74M	$ 78M
R & D (1)		.187	.167	---	---
Population Served	1.6M	1.7M	1.8	1.9	1.9
TRANSIT FOR DISABLED PERSONS (2, 4)					
No. of Municipalities		5	24	30	30
Ridership		.118	.455	.542	.626
Vehicle Hours		.130	.222	.235	.235
Provincial Subsidies (3)		$ 1.0	$ 3.5	$ 3.7M	$ 4.2M
Vehicles		57	76	117	117

NOTES:

(1) R & D deferred due to restrained budgets
(2) Includes Custom & Paratransit Services
(3) Includes Provincial Revenue Supplement
(4) Vancouver based statistics are FY whereas otners are calendar

FEDERAL FUNDING

OTHER PROVINCES AND TERRITORIES

The Provinces of Prince Edward Island, New Brunswick and Newfoundland do not have urban transit support policies, but have utilized UTAP funds for capital assistance.

Public transit in New Brunswick (Fredericton, Moncton, Saint John) and Newfoundland (St. John's, Cornerbrook) receive financial assistance only from the municipalities who use the Provincial municipal grant system to support all municipal services.

The City of Charlottetown, P.E.I. currently is supporting one bus purchased with UTAP funds and operated by a service club.

The Yukon Territorial Government and the City of Whitehorse, share 60-40 the operating deficit of Whitehorse Transit. While UTAP funding was used to finance buses for the Whitehorse Transit Commission, the only public transit in the Northwest Territories is one bus financed and operated by a private carrier.

FEDERAL FUNDING OF URBAN TRANSIT

SUMMARY

The federal government does not provide operating subsidies to urban transit. The bulk of federal assistance to urban transit has taken the form of contributions to capital projects under the Urban Transportation Assistance Program (1978/79 to 1983/84). Other federal involvement includes R&D projects carried out by Transport Canada and the Transportation Development Centre, Montreal, energy related R&D projects funded through Federal Energy Panel funds, as well as the activities of the Department of Regional Industrial Expansion.

BACKGROUND

The Urban Transportation Assistance Program (UTAP) was originally a five-year program (1978/79 to 1982/83) of $230 M based on $10 per capita. After three years it became apparent that some provinces would be unable to utilize their allocations within the time allowed. Accordingly, it was agreed to extend the program for one year (to March 31, 1984) at the same funding level less lapses. Recently, a further extension, to March 31, 1985 has been authorized to "clean up" outstanding claims.

The objectives of UTAP are:

- to improve the efficiency of the urban transportation system;
- to improve standards of urban environmental quality and land use efficiency;
- to conserve energy; and
- to improve safety at railway crossings.

Related to these objectives were two principles of operation/implementation which the federal government wished to have recognized, these were:

- federal funds were to be in addition to planned provincial expenditures on urban transportation; and
- the extent to which each funded project meets it objectives will be evaluated after completion.

Two types of projects were eligible for assistance under UTAP - projects eligible under the Railway Relocation and Crossing Act (RRCA) and urban transportation projects. RRCA projects were funded according to the formulae stipulated in the Act and varied between 50% and 80% depending on the total cost of the project and whether it was a new construction or a reconstruction of a railway/roadway grade separation. The federal share of the urban projects was 80%. The remaining share was paid by the provinces and/or the municipality involved.

Master Agreements with each province established the conditions under which federal funds were made available. Within the framework of these agreements each individual project was covered by a Project Contribution Arrangement describing the amount of federal aid, payment procedures, evaluation and audit. Projects were identified and proposed by the provinces for approval by the Minister of Transport.

Projects assisted under the RRCA included urban and transportation studies related to railway relocation as well as railway grade separation constructions and reconstruction. The urban projects varied extensively in scope and costs and included purchases or urban transit buses and paratransit vehicles, construction of transit maintenance and/or storage facilities, terminals, shelters and pedestrian walkways, purchases of transit signs and traffic lights, radio communication equipment, fare boxes, maintenance equipment and

computerized transportation information equipment as well as traffic studies and surveys. In particular $30 M of Quebec's allocation was dedicated to the rehabilitation and upgrading of the Montreal Commuter Rail System.

In all 207 projects were approved as follows:

	URBAN		RRCA		UTAP
PROVINCE	PROJECTS	UTAP $	PROJECTS	UTAP $	TOTAL
Nfld.	24	$ 5.5 M	-	-	$ 5,555,140
P.E.I.	18	1.1 M	-	-	1,118,123
N.S.	13	8.3 M	-	-	8,286,523
N.B.	14	4.7 M	3	$ 2.1 M	6,774,000
Que.	2	33.0 M[1]	33	28.6 M	61,487,502
Ont.	-	-	50	82.6 M	82,646,000
Man.	6	5.0 M	2	5.0 M	10,133,859
Sask.	-	-	5	9.1 M	9,131,503
Alta.	-	-	9	18.4 M	18,381,000
B.C.	2	72.5 M	23	24.3 M	24,307,050
Yukon	1	282.0 K	-	-	282,000
N.W.T.	2	140.0 K	-	-	140,125
TOTALS	82	$ 58.1 M	125	$170.2 M	$228,242,825[2]

[1] Includes Montreal Commuter Rail as one project
[2] $230 M minus lapses

In addition to UTAP, Transport Canada's Surface Administration has participated in developing CUTA's transit management education and development program. Contributions were made to both the Systems Requirement Study ($29,500) and the Market Requirements Study ($25,000) carried out by consultants in 1982/83.

Transport Canada, jointly with Energy, Mines and Resources, has also undertaken the annual Travel-to-Work Survey through Statistics Canada and prepared a major report on the data from 1973 to 1981. The Travel-to-Work Survey is a supplementary survey added annually to the November Labour Force Survey and requests respondents to answer questions related to their journey to and from work. The objective of the survey is to develop a comprehensive data base on travel in urban areas as a means of monitoring changes in travel-to-work patterns as an input to policy formulation and urban transportation planning.

Transport Canada has also had indirect involvement in reviewing policy on the transportation of elderly and disabled persons in the urban setting. In 1983 this included the funding of a review of urban transportation services and covered such areas as service options and their costs, government policies, guidelines and legislation, investigation and on-site review of existing systems and technology.

The Transportation Development Centre in Montreal is involved in urban transportation R&D where these developments support other federal policy priorities such as energy conservation, industrial developments or transportation for disabled persons.

In March 1982 the Department of Industry, Trade and Commerce, now Department of Regional Industrial Expansion (DRIE), gave a grant of $60 M towards the installation of the Advanced Light Rapid Transit System (ALRT) in Vancouver, B.C. Of this total $20 M went to the pre-build demonstration aimed at testing design concepts and vehicle performance in service, as well, showcasing the project for the people of Vancouver and trade missions, from abroad. The other $40 M is being applied to the purchase of 117 vehicles for

use in the system. The aim of the federal funding was to encourage the use of Canadian technology in the Vancouver system and to ensure that it would be operational during Expo 86 so that Canadian technology would receive extensive international exposure.

Through its Regional Industrial Development Program DRIE has been developing a number of projects centered around UTDC and Bombardier RAD efforts.

In cooperation with the Department of External Affairs, DRIE has been using the Program for Export Markets Development and the Promotional Projects Program to promote the export sales of urban transit technology through such activities as trade missions and fairs. These activities have been carried out with the participation of the urban transit manufacturers.

SUBSIDY POLICY DETAILS

(i) - Operating - NIL (UTAP)
(ii) - Capital - $58 M (UTAP - 6 years)
(iii) - Demonstration - NIL (UTAP)
(iv) - Transportation for Physically Handicapped Persons - $463,546 (Portion of $58 M above)
(v) - Others

Transport Canada = $54,500 (CUTA studies)
$23,000 (E&H Review)
Transport Canada/Energy Mines and Resources
= $110,000 (Travel to Work)
Dept. of Industry Trade and Commerce
= $60 M (ALRT - Vanc. B.C.)
Dept. of Regional Industrial Expansion

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ERRATUM

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It is the intention of CUTA to update and publish this report annually and any suggestions for improvement would be most welcome. It is anticipated that this first report will contain some errors or omissions, and it would be appreciated if these could be brought to the attention of the committee by writing to:

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